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MANAGING A CROWDFUNDING CAMPAIGN  
– CASE CAPE TO CAPE

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#### Abstract

The objective of the thesis was to make plans for a crowdfunding campaign and marketing plan for Joensuu Science Society's project Cape to Cape. The suggestions made would serve as guidelines when starting to execute the project. Based on the knowledge obtained from researching theory of crowdfunding and marketing suggestions for the operating plan were formed.

Based on the research done for the thesis running a crowdfunding campaign takes a lot of time – the campaigns themselves are usually rather short, 30 days on average, but the work starts well before the crowdfunding campaign starts. The success of the campaign is believed to be linked to the funders' perceived preparedness of the project and the extent of the social networks created before launch of the campaign. Gaining a critical mass of early funding seems to be an important factor in the campaign's success and it is usually gained through family and friends of the project creators.

The instructions for planning the crowdfunding campaign and the marketing in social media were compiled in the thesis to help the commissioner when starting to execute the project. During the thesis process some questions about the project's nature were arisen and suggestions to clarify them before launching the campaign were recorded.

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# 1 Introduction

*Crowdfunding isn't about collecting money. It's about making something with a crowd of people who believe in something. Normal people, not rich people with a lot of power, just people like you and me.*

*– Jozefien Daelemans, founder of Charlie Magazine<sup>1</sup>*

Our thesis has been commissioned by Joensuu Science Society and it is related to their project called Cape to Cape – an idea first introduced in 2013. The core idea of the Cape to Cape –project is sending a group of researchers with different backgrounds to travel from Cape Town, South Africa, to North Cape, in Norway by car. The caravan would stop along the way in predetermined destinations and arrange workshops, pop-up labs and universities, teach and do small development projects with the project's partners. The project is intended to be funded through crowdfunding.

Although the idea of Cape to Cape –project has existed for some time, the project has not yet been realized – it has been ideated a lot, but little has been done to start executing it. The objective of this thesis is to do our part to move the project one step forward towards its realization by researching the theories of crowdfunding and marketing and giving suggestions for the crowdfunding process for the project.

## 2 Crowdfunding

### 2.1 Origin and Definition

Crowdfunding as a concept is derived from the broader concept of crowdsourcing. The term crowdsourcing was first used by Jeff Howe and Mark Robinson in the June 2006 issue of Wired Magazine. (Howe 2008, according to Belleflame, Lambert & Schwienbacher 2013.) Crowdsourcing can be defined as the act of outsourcing tasks, traditionally performed by an employee or a contractor, to a large group of people or a community. This can be done through an open invite to obtain ideas, feedback, and solutions to

develop corporate activities. (Kleemann, Voß & Rieder 2008, 6.) It is typically enabled through online communities that consist of members of common skills or interests. Similarly, crowdfunding uses an open call through internet for financial contributions, either in the form of a donation or an investment. (Crowdsourcing org. 2015b.)

The first project crowdfunded online is thought to have occurred in 1997 when a rock band Marillion could not afford to tour after the release of their seventh album. The American fans raised 60,000 \$ in internet so that the band could play in the United States of America. The band has since used the same crowdfunding techniques their fans used and funded the production of their following three albums. Soon after the Marillion –case other creative projects, such as films, followed suit and the first crowdfunding website appeared in 2001. (UK Crowdfunding Association 2015.) By 2012 there were over 500 crowdfunding platforms online and in February of that year a crowdfunding project raised over £1,000,000 (\$1,580,000<sup>2</sup>) for the first time. (UK Crowdfunding Association 2015.) Crowdfunding platforms are internet pages that serve as public meeting places for project creators to put up their campaign and possible backers to fund it. Massolution's Crowdfunding Industry Report 2015 is based on data gathered for 1,250 funding platforms, which indicates that year 2016 there are at least 1,250 crowdfunding platforms. (Crowdsourcing.org 2015a)

Crowdfunding is a relatively new, alternative method of funding. Whereas the more traditional way of financing a business has involved, until recently, asking relatively few investors for large sums of money, in crowdfunding the idea is just the opposite. By using internet and social media alongside with traditional networks of friends, family and work acquaintances it is possible to reach thousands – if not millions – of potential funders, or as they are also known, backers. (UK Crowdfunding Association 2015.)

Funders are people who pledge money to join the project creator – the person or team behind the project idea – in bringing projects to life. That contribution is usually rather small in comparison with traditional financing contributions. Backer is a slightly broader term, where financial help is not always essential. Pledge or contribution is the amount of money the backers invest in the project, usually in exchange of something. In case of rewards-based crowdfunding campaigns that something is the creator's chance to

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<sup>2</sup> The exchange rate from British pounds to US Dollars in February 2012 was approximately 1.58 (XE 2016).

share a piece of their project with their backer community. Typically, those who are seeking funds will set up a campaign page for their project on one of the many crowdfunding platforms. There are a number of different types of crowdfunding for different needs of the fundraisers and funders. (Entrepreneur 2015.)

## 2.2 Models and Types

According to different sources, the different models of crowdfunding can be divided into two, three, four or more categories by how the project goes about raising its funds. Barnett proposes that there are two main models of crowdfunding: donation-based funding and investment crowdfunding. These main models can then be further divided into widely used subcategories of donation, rewards, equity and debt (Table 1). (Barnett 2013, 2; UK Crowdfunding Association 2015.) Massolution's Crowdfunding Industry Report suggests that "while rewards- and equity-based campaigns typically get the most headlines, it's lending-based crowdfunding that dominates the industry: in 2014, it raised \$11.08 billion dollars." (Massolution.com, according to Crowdsourcing.org 2015b.)

Table 1. Crowdfunding models (Table by Ingram & Teigland 2013, adapted from De Buysere, Gajda, Kleverlaan, & Marom 2012)

	Form of Funding	Benefits for Funders
<b>Donation-based</b>	Donation	Intangible benefits.
<b>Reward-based</b>	Donation or pre-purchase	Rewards in addition to intangible benefits.
<b>Equity-based</b>	Investment	Return on investment if company does well.
<b>Debt-based</b>	Loan	Repayment of loan with interest or intangible benefits if loan given interest-free.

According to Barnett (2013, 2), crowdfunding was born through the donation-based model. In this model, individuals contribute to a collaborative goal without any financial benefits. Sometimes funders contribute simply because they believe in the cause, but the contributions are often stimulated by reward or incentive systems by which funders are thanked for their support. These rewards or incentives may be intangible (e.g.

recognition in project's credits, chance to meet the project creators or attend launching party) or tangible (e.g. the product being funded, branded merchandise). (Canada Media Fund 2015.)

In a more recent model of crowdfunding, investment, businesses seeking capital sell ownership stakes online in the form of equity or debt. The individuals who fund investment typed crowdfunding projects become owners or shareholders and have a potential of financial benefits, unlike in the donation model. (Barnett 2013, 2.) Canada Media Fund (CMF) further divides investment model into Securities Investment Model and Profit or Revenue-sharing Model. In Securities Investment Model the investors buy shares in the company: for instance, they may buy ownership in a parent company or rights in a project. Profit or Revenue-sharing Model are also known as Collective Investment Scheme, where investors get a share of the revenue or profits of the project. (Canada Media Fund 2015.)

The debt is often called Peer-to-Peer (P2P) or Peer-to-Business (P2B) Lending (Crowdfunding Strategy & Information - Crowdfunding Consultants 2014). According to CMF (2015) the debt-subcategory can also be further divided into a traditional lending agreement, a forgivable loan and pre-sales. In traditional lending agreement a monetary reimbursement in the form of interest is expected, similarly to any typical lending scenario, but depending on the crowdfunding platform it is not always guaranteed. In the case of forgivable loan the reimbursement is only made if the project begins to generate revenue or make profit. CMF (2015) places pre-sales under the lending model (i.e. debt or loan). In pre-sales –model the finished product is promised in exchange for the contributor's pledge.

Another way to divide crowdfunding projects is the type of the campaign. Perhaps the two most well-known crowdfunding platforms, Kickstarter and Indiegogo, use different models of funding. Kickstarter's single All-or-nothing funding model means that campaigns that do not meet or exceed their funding goal – the amount of money that a creator needs to complete their project – get nothing. In other words, the contributors get refunded. Indiegogo, on the other hand, uses multiple models – it is possible to start a project with fixed funding like in Kickstarter or use flexible funding, where the campaign keeps whatever funds it raises. (Holm 2015.)

Both funding models naturally have their advantages and disadvantages, but Kickstarter reasons their choice of fixed funding model as follows: all-or-nothing funding is less risky for everyone, because if a project in need of \$5,000 received only \$1,000 it probably could not be executed in the way it was supposed to, or at all, and the backers might still expect the project to be fully completed. Kickstarter also claims that all-or-nothing model motivates people – if they want the project to come to life, they are going to spread the word. The last item on Kickstarter’s list of reasons for their funding model is that it works: the projects either make their goal or find only little support. Out of the projects that reached 20 % of their funding goal 81 % were successfully funded, while 98 % out of the projects that reached 60 % of their funding goal were successful. (Kickstarter 2015a.)

In flexible funding model the project keeps what it raises regardless of its outcome – unlike in fixed funding, the backers are not refunded if the goal is not reached. This might lead to an unpleasant situation described in the previous chapter: the project creator being unable to execute the project. If the project cannot be executed, the project creator is in a difficult situation with dilemma of where do the funds go. They might choose to refund the backers, but even if the funding goal has not been met, the money raised will still be subjected to platform and third party expenses, such as transaction fees. In the worst-case scenario the project creator might end up losing money with the flexible funding model. This has evoked criticism towards flexible funding: choosing the flexible funding model might raise suspicion of the project creators’ confidence on delivering their promises and cast a shadow of doubt over the whole campaign. However, this does not mean that all projects using the flexible funding model have illegitimate intentions – the funding model simply isn’t for every project. For charitable projects, where any funds raised help the cause, the flexible funding is the perfect solution. (CrowdFund Buzz 2013; Luzar 2013.)



### 3 Marketing

#### 3.1 Marketing Planning Process

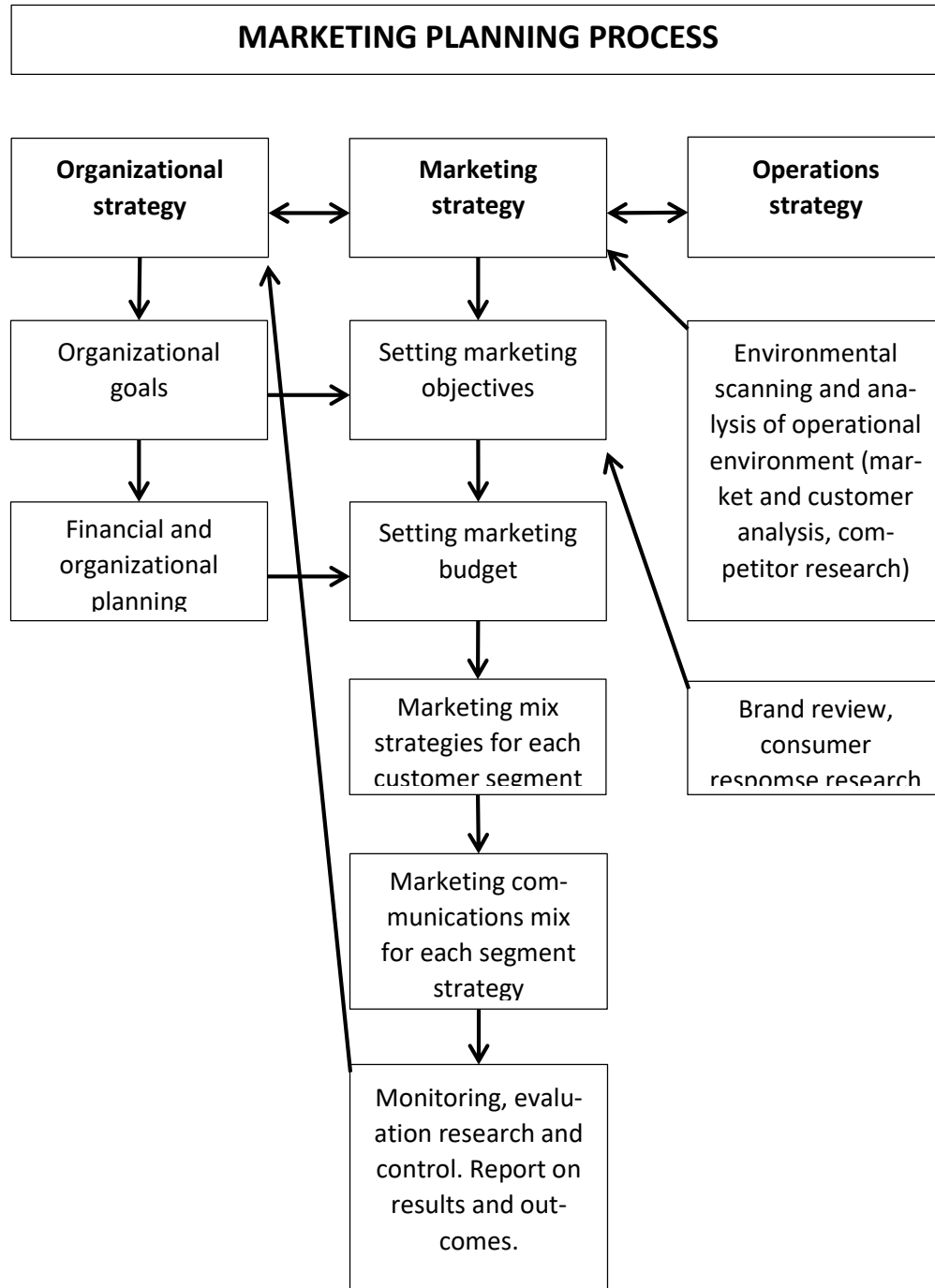


Figure 1. Relationships between marketing strategy, operations strategy and organizational strategy in the marketing planning process (adapted from Figure by Scott McCabe. 2009).

The figure 1 shows how operations and organizational strategies both affect the marketing strategy and what need to be taken into consideration when planning marketing.

Holistic marketing is a long-termed strategy that combines traditional media marketing, direct marketing, public relations and other external marketing communications media as well as the delivery and consumption, customer service and other customer appointments of products and services (Grönroos 2009, 359).

The first step of marketing planning is to analyze the company's product range: the contents of the product, sharing these to the target groups, segmentation and determination of the product's objectives. The core purpose of the product is to meet the customer's basic needs (Isoviita & Lahtinen 2004, 8; 32). To reach these objectives, one has to recognize the customer's needs and find a unique way to serve them and offer appropriate purchasing stimuli. In the end a satisfied customer will recommend the product to others. (Isoviita & Lahtinen 2004, 33–34.)

The second step in marketing planning is to specify the potential customers for the product. After that, one has to choose the marketing channels that could be used. The most effective channels depend on the target market specified in the first place: different target markets respond differently to channels like social media, newspapers or brochures. To compete against other companies and ideas the marketing needs to be differentiated. (Isoviita & Lahtinen, 32-36) It needs to be kept fresh so that it will constantly draw in new customers and still keep the old, already existing, customers interested and satisfied: new ideas to attract new people and updated content to keep the existing customers satisfied. (Isoviita & Lahtinen 2004, 15–21; 40–41.)

### **3.2 Segmentation**

Segmentation means finding the potential customers of the product or a service and dividing them into different kinds of categories (Isoviita & Lahtinen 2004, 32). Factors for customer group segmentation can be, for instance, demographic or socioeconomic factors, geographical grouping or behavioral analysis based on purchasing habits. Re-

sources and marketing measures can be developed to fit each target group. (Juslén 2009, 46.)

To identify the various buyer segments, new products are launched to the market in large numbers. Segmentations is also the basis for targeting advertisement and helping to orientate the broadcast via mass media to the intended audiences. The aim of segmentation is to minimize unnecessary contacts and consequently improve the cost efficiency of advertising. (Juslén 2009, 46.)

Segmentation factors can be examined from external and internal perspective. With the help of external aspects, the factors that differentiate the customers from each other can be examined. In order to do that, the customer's values must be identified and placed in the specific position in the value chain, purchasing process or lifecycle of the customer relationship. The lifecycle of the customer relationship examines the relationship between the customer and the service provider, whereas the value chain is a set of activities that affect the customers' perceived value of the service. The purchasing process begins even before the act of purchasing the product and goes all the way to after-purchase behavior. Sources such as the organization's information on customers, customer surveys and competitor comparisons can be used to define customer behavior during purchasing process. (Ala-Mutka & Talvela 2004, 50–51.)

The internal perspective helps to identify the importance of different customer segments for the company in the present and in the future. It analyzes information, which affects the profitability of the customer and the causal relationship between the customer and the company, but also takes into consideration the entire value chain and customer profitability. The sources of information to analyze the internal perspective can be the company's databases and data warehouses, customer analysis as well as other possible resources. (Ala-Mutka & Talvela 2004, 51.)

### **3.3 Marketing Channel**

There are four stages of marketing: external marketing, transaction marketing, post marketing and inner marketing. External marketing involves creating the customer rela-

tion, whereas transaction marketing applies during service and selling processes. Post marketing happens after the purchasing of the product and concerns keeping and improving the customer relation. Inner marketing targets the company's employees and consists of motivating and informing them. (Isoviita & Lahtinen 2004, 8–9)

Internet differs greatly from traditional one-way marketing channels such as television ads. In one-way ads the operator controls the message and its content. In internet marketing has the possibility to be more dynamic, with people sharing and liking ads in social media. Internet is not only a media channel but also a place for action, discussion and interaction. (Kokko 2009, 57–58.)

Internet offers a cost effective marketing channel, which is always available and easy to update. Running internet pages does not require large personnel costs or sales commissions. Internet marketing can create opportunities to reach new customer segments and direct them to the desirable webpages. A growing number of people want to buy products and services from internet. (Pullinen 2009, 25.)

Especially in social media the feedback is direct due to the interaction that is created between the user and the service provider. Clients can discuss about products and services offered and highlight mistakes and accomplishments which can help with the company's product development. (Pullinen 2009, 30.)

### **3.4 Marketing in Social Media**

Social media runs on content that its users create in internet. Marketing in social media utilizes different kinds of social platforms, such as Twitter, Instagram or Facebook, for sending information to customers. Social media marketing consists of a number of ways and operations that will bring more publicity to the campaign through social media sites and internet communities. In other words, sellers need to be where their customers are. For instance, Facebook has over 1.79 billion monthly active users (Facebook 2016, 1), which is more WhatsApp (500 million), Twitter (284 million) and Instagram (200 million) combined (CNBC, according to Zephoria 2016). Facebook it has become one of

the most important marketing channels in social media. The fastest growing user group in Facebook are women aged 55 to 65. (Olin 2011, 9–15.)

Facebook pages can be used when creating awareness for a business or a product. They can be optimized to meet the organization's needs for information, and content sharing and communication requirements. (Olin 2011, 64.) One popular way to market one's product is to use Facebook's commercials that are being published on the users' walls. When Facebook users "Like" an ad their friends will see it, too. This peer recommendation has a strong influence on the potential customers. In fact, 80 percent of Facebook users trust in peer recommendations. (Olin 2011, 16–18.)

The homepage of the company and social media pages need to be linked so that customers can find them conveniently. Keyword optimization can be used to make the web pages be more easily found with search engines such as Google. (Olin 2011, 25–28.) The design of the website as well as the social media pages should be unique and memorable, but at the same time clear and informative enough to serve its users. To pique the interest of the users the content of the page must meet their demands. Keeping the sites updated will keep the customers interested and they will more likely share the content of the pages with others.

## **4 Objectives**

The topic of our thesis came from Joensuu Science Society. First, we approached them concerning SciFest – an annual event they organize – to ask if we could work out a topic for our thesis in collaboration with them and asking in general whether they would be interested in commissioning our thesis. The response was that they would certainly be interested in commissioning a thesis and the operatives of Joensuu Science Society would discuss what the topic could be.

In our first meeting, in June, Pauliina Korhonen, the Executive Director of Joensuu Science Society, presented us with a topic far more extensive than we had prepared for: a task related to a project called Cape to Cape, co-organized by Joensuu Science Society

and University of Eastern Finland. The objective of our thesis is to make suggestions of marketing and money-raising plans that will help them to carry out the project. The thesis will be carried out as a functional thesis and the end result would include guidelines for founding a crowdfunding campaign and plans for the project marketing in Facebook. The results will be presented in both text and table forms.

The core idea of Cape to Cape is to send a group of researchers with different backgrounds to travel from Cape Town, South Africa, to North Cape, in Norway by car. They would run workshops in predetermined destinations that would entail inventing, designing, implementing and testing fresh ideas on how ICT – information and communications technology – can help impoverished people to improve their living conditions with the help of advanced, contextual technology. Such activities could entail, for instance, activities by Women's Bank, highlighting the meaning of education on the status of females or inviting high-profile people, such as the female president of Liberia, as key-note speakers to the workshops and forums.

The whole trip would take three to four months and it would start with a launch event in Cape Town. The collected experiences and ideas from the tour would be announced at the wrap up event in North Cape. Throughout the travel the audience could follow and participate in the developments of the tour interactively through social media.

We both agreed that the topic sounded interesting and decided to go forward with our collaboration with Joensuu Science Society. We met a few times during the summer with the core operatives of the project to get a solid starting point for our thesis. The project core operatives presented us with their ideas, dreams and wishes, some of them more idealistic than realistic. We also participated in ideating the project Cape to Cape itself: they were really happy about us giving them new fresh ideas because they were struggling a little with the start of the execution.

The first intention had been that the actualization of the project Cape to Cape would take place in the spring of 2016. However, they admitted that they had planned a too tight schedule. Because so little had been prepared and so much would still need to be done, they realized everything would not be ready in time and the project could not be

executed as scheduled. Thus, the core operatives decided to postpone the realization of the project for a year.

As we started working with the project and it became clear to us that the project was going to be never-ending we decided to confine our thesis and focus our resources as follows: Noora will concentrate on designing a crowdfunding campaign for raising funds for the project and Siru will focus on the marketing aspect of the campaign. We will give the project operatives a base to proceed from.

## **5 Execution and Process**

Before starting to generate the operating plan for the project Cape to Cape we had to start with researching the theories and major concepts of crowdfunding, electronic marketing and marketing in general. Planning a crowdfunding campaign includes designing possible rewards for funders – the first idea we discussed with our commissioner was productizing the kilometers of the route the caravan drives along in a way Paul Salopek did in his Out of Eden Walk – Year Three – Kickstarter Campaign. Salopek had a reward called Mile Sponsor in his crowdfunding campaign, with the description: “Fund a mile of the journey with a pledge of \$25 or more, and your name and mile will appear on the digital donor map custom-made by Jeff Blossom, our chief cartographer at the Center for Geographic Analysis at Harvard. The donor map is a permanent legacy of the 7-year journey.” (Kickstarter 2015b.)

Generating a marketing plan includes plans for marketing before, during and after the crowdfunding campaign. The main purpose of the marketing is to give people information about the Cape to Cape –project through social media and project’s own websites even before the crowdfunding campaign is launched or the money-raising starts. This will happen via regular updates of what is going on at the very moment with the project or small new pieces of information of what will happen when the project begins. As the start of the crowdfunding campaign draws closer, the frequency of those updates increases. When the campaign starts and is live, it is important to remind people to participate in the money-raising. After the campaign the marketing focuses on the results

of the crowdfunding and thanking the participants before it switches the focus back to the actual realization of the Cape to Cape –project.

Before defining the marketing basis, the customers will need to be specified – who would the idea be sold to and why. In the case of Cape to Cape the commissioner suggested that the funders of the project would be from various age groups and from different backgrounds. What they would have in common would be the urge to be part of a project, which could potentially help the local people along the route of the caravan. The commissioner suggested that the marketing should be executed via social media platforms such as Facebook, Twitter and Instagram. The marketing needs to be done in a way that will make finding information about the project easy. Additionally, the marketing should be versatile so it would be of interest for different kinds of people.

When forming a basis for strategic marketing plan, all factors that can affect it – legal, political, economic, sociocultural, technological and ecological factors – need to be considered (Bergström & Leppänen 2015, 54-56.) There are, especially in this case, some economic factors that need to be considered. Discussions we had with our commissioner about productizing the kilometers the caravan travels into rewards for the crowdfunding campaign. Other suggestions for such rewards have been, for instance, locally made products such as artwork or digital files including pictures or music from along the route. If the locally made products are to be used as rewards for the crowdfunding campaign, the ethicality needs to be taken into account: the producers should get a fair price for their products. The price of the crowdfunding rewards for the customer needs to include the shipping fees and other possible expenses. Technological factors are as well important in the Cape to Cape project because the primary marketing channel will be social media, as defined by the commissioner.

One of the first guidelines established when ideating the marketing of the Cape to Cape –project was that Africa, which covers more than half of the route, should be shown in a positive light. The traditional picture given of Africa is poverty, misery and hunger – the projects wants to show that there is also innovation, happiness and potential.

Material about social and electronic marketing used in making the thesis is based on professional literature, educational material and online material. Most of the literature



used in the making the thesis concerning crowdfunding is written in English and found online – it includes, for instance, published, scientific studies and articles.

## **6 Creating a Reward-Based Crowdfunding Campaign**

### **6.1 What to Expect**

"The worst mistake you can make is thinking that it'll be easy," states Jason Best of Crowdfunding Capital Advisors for those looking for establishing a crowdfunding campaign. He elaborates: "You have to create a campaign. Anytime you raise money, it's hard, real work and requires a way to be able to engage the customer community." (Best, according to Krotz 2013.) Holm (2015) suggests that for every successful Kickstarter campaign, two fail and in the case of Indiegogo about 9 out of 10 campaigns fail to reach their goal according to crowdfunding statistics.

This does not mean that founding a successful crowdfunding campaign is impossible. "While any project can be successful, given the right combination of preparation and execution, any attempt you make to raise significant funds will most likely need a well-planned and funded marketing and PR campaign", Outlaw (2015) remarks for the project creators.

Barken (according to Krotz 2013) advises project creators to be prepared for financial reviews or audits and to determine possible taxes in advance. Ingram & Teigland (2013, 15) remind that many crowdfunding platforms serve as a public meeting place for entrepreneurs and possible backers. In the reward- and donation-based crowdfunding models this means that the responsibility to fulfill the VAT and tax laws is left to the contracting parties – the founder and the funder as the platforms themselves avoid becoming marketplaces.

## **6.2 Where to Start**

The very first thing in a process of creating a crowdfunding campaign is to come up with an idea to be crowdfunded. Before the launch the campaign naturally needs to be planned carefully and even before making plans it's wise to do some research on other projects (Appendix 1). Both Kickstarter and Indiegogo leave up all projects, whether successful or not, on the websites. They are never taken down, not even when the campaign has ended or the creator has deleted their account. This leaves new campaign creators with lots of data to be researched and valuable information on what has worked and what has not. (Hebert, according to Clifford 2014.) In Entrepreneur's article "How to Become Crowdfunding Wizard: 8 Tips You've Probably Never Heard Before" Hebert suggests that the outcome of the crowdfunding campaign is decided by the time the project is launched. He encourages the creators to start getting the word out, sharing their news and collecting the crowd six months before the campaign is due to be launched. (Hebert, according to Clifford 2014.)

Krotz's (2013) article "How to Prepare an Effective Crowdfunding Pitch" gives some ideas of where to start. She encourages the project creators to identify funding communities that are simpatico with the project's idea and to consider funding a project to experience the process themselves. Crowdfunding sites give practical advice for formulating the plan for the campaign. For example Kickstarter's FAQ and Creator Handbook offer help in all the stages of the project from start to finish.

## **6.3 Planning the Campaign**

### **6.3.1 Creating a Website for the Campaign**

Consultant Best advises the project creators to create a social networking platform for the campaign, along with a business plan, well before the campaign is launched. (Best, according to Krotz 2013.) Before the project has its crowdfunding campaign site it is wise to create a homepage for it. This can be used to inform the followers of the project alongside with email-lists and social networks.

Hebert gives an important tip for all project creators to invest on design. He explains that the community on crowdfunding platforms care about design, unlike the friends and family of the project creator. The way the project's website and logos look makes a difference on the possible backers' perception of project's trustworthiness, reliability and preparedness. (Hebert, according to Clifford 2014.)

### **6.3.2 Choosing the Platform**

UK Crowdfunding Association (2015) claims that in 2012 there were over 500 crowdfunding platforms online and Drake (2015) predicts that the number of crowdfunding platforms is likely to hit 2,000 in 2016. This does not make choosing the platform easy, but it is just one step among the others on a way of careful planning. It is also crucial to fully understand the crowdfunding platform rules to avoid any unpleasant surprises, such as a possible penalty for not making your goal or the project getting suspended for violating the rules. (Krotz 2013.)

It is important to choose the right platform to suit the goals and needs of the project. To do this, at least the funding models mentioned in Chapter 2 should be considered. The top platforms for donation-based projects include GoFundMe, Fundly, DonorsChoose for Teachers, and Causes for raising funds and creating petitions. The previously mentioned Kickstarter and Indiegogo, but also RocketHub are top platforms for reward-based projects. The most popular platforms for debt-based projects are Prosper, LendingClub, FundingCircle and among the equity-based projects, P2BInvestor and CircleUp, Fundable and Micro Ventures are the most popular platforms. (Crowdfunding Strategy & Information - Crowdfunding Consultants 2014.) The platforms mentioned above are just examples of the large spectrum of platforms. In addition to the ready crowdfunding platforms one might consider using websites as Selfstarter, which offers a free and open source code for making one's own crowdfunding site.

### **6.3.3 Calculating the Budget and Funding Goal**

The first step towards deciding the funding goal is to make a detailed budget of the costs. The budget should be realistic and cover all expenses needed to realize the project. The funding goal should also include any and all commissions that the crowdfunding platform and the payment processor takes. If the campaign is reward-based, the expenses of obtaining and sending the rewards to the backers should also be taken into account. In some rare cases the backer's credit cards cannot be charged and they cannot be reached to fix things – these few dropped or errored pledges might reduce the amount of money the project eventually receives, so adding a little extra to the budget should be taken into consideration. (Kickstarter 2015b.)

On the other hand Hebert (according to Clifford 2014) suggests that setting the goal as low as possible without underselling the project would be the best approach. He explains that especially with the fixed funding type the project creators might leave empty handed if they miss their goal even by little, but setting the goal low can also be an advantage because raising substantially more than the initial funding goal might interest the press. (Kickstarter 2015b.)

The project creators might also want to consider what to do if the project is overfunded. Some projects have thought of stretch goals, which can be upgrades for rewards or completely new reward tiers. However, they are not for every project. The stretch goals work better when they improve work (e.g. added levels to a video game), instead of creating something entirely new. The most important matter is to carefully think through adding stretch goals so that fulfilling them does not compromise the project itself. (Kickstarter 2015c; 2015b.)

### **6.3.4 Creating Rewards**

If the crowdfunding campaign is to be reward-based, the creators should come up with rewards they could offer for the backers. The most common amount pledged is \$25 so it's most likely that of the project's funding will come from that range. (Crowdfunding Strategy & Information - Crowdfunding Consultants 2014.) Even though \$25 is the

most popular amount to pledge, it is usually good idea to have different rewards for different levels of giving (Entrepreneur 2015).

Hebert (according to Clifford 2014) gives a good tip for project creators in CrowdFund Buzz's article: many campaigns have reward levels of \$5 or \$10 that offer the backers with next to nothing; a congratulatory email or "eternal gratitude". Instead of an "expensive digital high five" he suggests the campaign should offer the backers something useful that's free to distribute – either a video, tip or photo – for as low price as \$1. He implies that this way the investor would become engaged with the concept and, as they already have their credit card out, it could lead to them contributing more.

## **6.4 Marketing**

### **6.4.1 Developing the Pitch**

The project page should tell the project's story and tell at least the essentials: what is it that you are trying to do, how it will be done, how will the funds be used and how far along the project is already. The people on the project team and their qualifications to complete the project should be introduced – this helps people to relate to the project and make the campaign more credible. (Kickstarter 2015c.) The story should be engaging: ProHatch's Kulik reminds that personality, voice and storyline matter (Kulik, according to Krotz 2013).

Kickstarter also recommends using a video to introduce the project on the campaign page, because the projects with a video tend to be more successful (50 % success rate) in comparison with those without a video (30 % success rate). (Kickstarter 2015b.) "Make your video short, clear, authentic, with a call to action," says filmmaker and crowdfunding strategist Ian MacKenzie (according to Krotz 2013) and explains that the optimal length for pitch videos is three minutes. Hebert (according to Clifford 2014) proposes that the creators could make a video with two endings: one to be posted to the project's website six months before the launch, inviting people to sign up for email up-

dates on the upcoming crowdfunding campaign and the other to be released when the campaign goes live, inviting people to contribute.

#### **6.4.2 Developing the Outreach Campaign**

Apart from making plans on how to spread the word about the project while it is live the project should inform the crowd even before the launch. Holm (2015) suggests that 30 % of funding goal should be guaranteed by friends, family and anyone the project team can line up to make a financial contribution to the campaign the day it launches. Friends & Family is a term used of the inner social circle of the crowdfunding campaign creators, whose contribution in the beginning of the campaign has been shown to be crucial for its success. Reaching 30 % of the funding goal in the first couple of days of the campaign increases the chances of reaching the goal significantly. Holm adds that on average 9 out of 10 contributions to the crowdfunding campaign are a result of a carefully designed and executed plan of action, regardless of the platform.

Kickstarter's Creators Handbook (2015a) encourages crowdfunding campaign creators to prepare an outreach plan and organize their promotion strategy carefully well in advance before launching the campaign. The first step should be finding the target audience: the people interested in the project aside from friends and family. It's a waste of time and energy going after people who aren't interested in the project in the first place. Hebert (according to Clifford 2014) assures that the most successful crowdfunding campaigns have fewer than 1,000 backers, so not everyone has to like the idea.

When the target audience has been found a list of relevant blogs, media outlets, and online communities (e.g. forums, message boards, or Facebook groups) should be compiled. (Kickstarter 2015c.) Holm (2015) encourages project creators to build large enough social media crowd that not only can they contribute financially to the project but also help spread the word about the project. He reminds that depending on the magnitude of the funding goal building a crowd can take several months. According to him Twitter is the most active social network in the crowdfunding sphere. There are also tools like Krowdster.co's Crowd Builder, which help identify and connect with supporters and build a targeted audience.

Crowdfunding Strategy & Information – Crowdfunding Consultants (2014) estimates that to raise \$10,000 the project would need roughly 8,000 followers. The estimate is calculated on the basis that \$25 is the most common amount pledged; therefore the funding goal is divided by 25. The calculation will equal the people that need to fund the campaign. As not all of the followers do, they have calculated the followers needed on the assumption that 5% of the followers would also back the campaign financially. The 400 backers are therefore divided by 5%, which gives the total number of 8,000 followers.

The estimate is of course just that – an estimate, and it does not take into account the more expensive rewards. The estimate of the percentage of the followers backing the project underestimated, but as not many people have thousands of contacts, it does indicate that an outreach campaign should really be formed well before the launch to get as big a like-minded crowd for the project as possible. Nowadays social media platforms, such as Facebook, Twitter, and many others, can be easily utilized to gain followers and keep them up to date, but Kickstarter (2015c) also suggests compiling an email list of people to whom the project updates could be sent to create enthusiasm.

Some platforms, such as Kickstarter, offer creators a possibility to share the project's preview link with their inner circle before the launch. This helps the creators to get valuable feedback and a chance to change things before the project goes live for the general public. The moments just before the launch are crucial and project creators should be diligent about keeping in contact with their supporters so that they will contribute as soon as the campaign goes live (Outlaw 2015).

### **6.4.3 During the Campaign**

As previously mentioned, one key to a successful crowdfunding campaign is to gain early momentum. The project should be able to raise 30 % of its goal in the first three days and most of the work of informing should already have been done. (Hebert, according to Clifford 2014; Outlaw 2015.) Therefore the inner circle should be already lined up to make the contribution the day the campaign launches. Once it does it should be announced as widely as possible – shared in Facebook, tweeted for followers,

emailed to family and friends. Kickstarter also gives a tip for all project creators to keep mailing groups small and messages personal to get a better response than mass-mailed form letter would. (Kickstarter 2015c)

When the campaign is on, the most important thing is to keep the crowd informed with updates and releases, staying in touch with the backers and keeping expanding the campaign's social network (Krotz 2013). Entrepreneur's article urges the campaign creators to be prepared to essentially live online, staying active on social media sites, until the end of the crowdfunding campaign (Entrepreneur 2015).

Josef Holm (2015), the founder of Krowdster.co (web app to help launch and boost crowdfunding campaigns) and Tubestart.com (crowdfunding platform for film & video projects) gives some good tips to make a crowdfunding campaign successful. He suggests writing a press release, which should be sent no earlier than when at least 30 % of the funding goal is reached: "Journalists don't just write about campaigns so they become successful, they write about successful campaigns in the making." Kickstarter reminds to keep the message concise but also make sure that it includes all the essentials: who, what, where, when and why. It is be a good idea to mention also who is available for interviews and offer the press some content, like a trailer or a preview related to the project. (Kickstarter 2015c.)

#### **6.4.4 After the Campaign**

The crowdfunding campaign ends in one of the two possible ways: either it is fully funded or it is not. Depending on whether the campaign was flexible or fixed funding, the project might have obtained some money or it could be left with nothing. If the campaign is unsuccessful the team behind the project could try to find out the factors that lead to the failure of the campaign, fix them and try again later.

If the campaign is indeed successfully funded, it is time for the project to be actualized. After the project has obtained the money they have raised from the backers (for reference: this takes approximately two to three weeks in Kickstarter) the project can be brought to life and eventually completed (Kickstarter 2015b). It is very important to



keep the backers informed and up to date of the process at all times. They have contributed to the project and are eager to hear about every step and setback the project might encounter on its way towards the fulfillment of the project. If the project has raised money in exchange of rewards it is important to remember to fulfill the promises on time.

## **6.5 Crowdfunding Success**

### **6.5.1 Key Factors to Success**

Mollick (2013) proposes that there are certain key factors that are linked to successful reward-based crowdfunding campaigns. He suggests that, among other things, quality signals such as project's preparedness and social networks are associated with an increased chance of a successful outcome of the project. Updates soon after the launch, earlier track record, and the lack of spelling errors are also good indicators of an increased possibility for success.

It seems to be a general belief among crowdfunding specialists that gaining a critical mass of early funding is common for successful projects. It is also generally acknowledged that financial support from close social circles – family, friends and followers – is an important source of early stage funding. The campaign's duration might also play a role in the success of the campaign. Kickstarter (2011) suggest that shorter periods set a tone of confidence, help motivate people to participate, and let the project make a planned, concerted push to spread the word.

### **6.5.2 Gaining Early Funding**

Agrawal, Catalini, & Goldfarb (2011, according to Agrawal, Catalini & Goldfarb 2013) suggest that the increase of funding propensity with accumulated capital is characteristic to non-equity projects. They claim that the funders are more likely to invest in the project as the capital accumulates. Their empirical study in a given week shows that fun-

ders were more than twice as likely to invest in projects which had reached 80 % of their funding goal compared to those who had raised only 20 % of it. Similarly Zhang and Liu (2012, according to Agrawal et al. 2013) present that the acceleration is particularly strong towards the end of the fundraising campaign, suggesting a herding behavior. However, Bayus and Kuppuswamy (2015) note that even eventually successful projects might slow down in the middle of the campaign as a result of a bystander effect – a reduction in the number of new backers to fund the project because they perceive that the funding target will be reached regardless of their contribution.

Zhuoxin & Duan's (2014) findings are consistent with those mentioned before. They use the term “positive network externalities” to describe the phenomenon that backers are more likely to invest in a project that has already received a sufficiently large number of backers in a timely manner. They also note that backers are less likely to contribute to a project with little time left to achieve its funding target – this they call “negative time effects”. According to them these two competing forces determine how likely backers are to contribute to a project overall.

### **6.5.3 Duration of the Campaign**

The projects launched in Kickstarter can never be deleted – this means that even if the project is unsuccessful or its creator cancels it before the deadline the project will stay in Kickstarter. This also means that looking up past projects is easy and Kickstarter has used this data to form some research results to help individuals to create successful projects. (Kickstarter 2011; 2015b.)

The success rate for projects with duration of 90 days is only 24 %, while the overall success rate for projects in Kickstarter is 44 %. Kickstarter's Creators Handbook suggests that “shorter periods set a tone of confidence, help motivate people to back, and let you make a planned, concerted push to spread the word.” Kickstarter therefore recommends that the projects' duration shouldn't be longer than 30 days even though the campaign duration in Kickstarter can be anything from 1 to 60 days. (Kickstarter 2011.)

## 6.6 Case Cape to Cape

Both a homepage and social media pages should be created for the project. Design of the pages should be focused on features like a logo, as appearances affect the perceived preparedness of the project to the funders. A competition could be held among University of Eastern Finland and/or Karelia University of Applied Sciences students to come up with a proper logo for the project. The design and maintenance of the web pages could be given as an assignment or a project for a group of students, for instance, layout planning for designer students and programming for computer science students of the previously mentioned institutions. In addition to the carefully developed design, the content of the pages matter a lot. The project's story as well as the introduction of the team behind it should be written. A video presenting the project would also be useful when marketing the project – making an introductory video could be given as a project to the media students of Karelia UAS, or it could be made by hired professionals.

Sufficient time and other resources are needed, and should be reserved, to run the crowdfunding campaign – it is a full time job. At least one person should be assigned to be responsible for it. It should also be noted that not all of the projects achieve their goal: a failure is always a possibility. Any crowdfunding platform fees and taxes should also be taken into consideration in both selecting the possible platform and in planning the budget. Informing the public and gathering a like-minded crowd should be started well before launching the campaign.

Choosing the platform should be thoroughly considered. For instance, Kickstarter, which was discussed with the commissioner, is not available in Finland to launch projects. However, setting up a project in Kickstarter is possible in Sweden – and because one of the Cape to Cape project operatives is a native Swede, starting a project in Kickstarter is still an option. Setting up a crowdfunding page independently is also a possibility – it might be more complicated to start, but there would be no commissions for any platform. A budget should be planned carefully: it should be realistic and cover all costs of the project, including the commissions of the platforms and sending the possible rewards for the backers. If the crowdfunding project is indeed rewards-based the rewards offered should be in different price categories for different needs and income levels of the funders, at least one around \$25. The rewards should also be useful for the

backers: not just a virtual high five. Suggestions for rewards and the basic anatomy of rewards can be found in the appendix 2.

The objectives of the marketing plan for project Cape to Cape are to understand the customers' needs, to get them to visit the project's social media sites and raise the views on the project's homepage. At first, the project Cape to Cape is marketed to friends and acquaintances of the project team and through them to a larger crowd. Points of interests such as culture, desire to help or to be involved in development and research will bring people towards project and its social media pages. The projected target group consists of people interested in the mentioned aspects, who are also active on social media.

The Cape to Cape project core operatives suggested that the targeted segment of the project would be the active users of different social media channels such as Facebook, Twitter and Instagram. Thus, the marketing channels used would be mainly social media platforms. With the help of social media they can reach a large number of people. The number of social media users is constantly rising every year. It is also a relatively cheap way to do effective marketing, but it requires other resources than money. To maintain the visibility and appeal of the project the Cape to Cape, the core operatives need a person who constantly updates the existing social network pages. The users of these channels are very active and could help in spreading the word to an even larger crowd. Nowadays people search information mostly via internet and that has made social media an important source.

The credibility of the project can be improved with the help of public figures or well-known companies that have a desirable public image and who share the same values with the project. Simultaneously these public figures and well-known companies will also be shown in a positive light. All sides should have mutual interests that can be reached through the completion of the project. With updates from the route, including photos, videos and music, the funders can feel as if they are virtually on the Cape to Cape journey themselves. The updates should also describe the workshops and other activities on the way. The operating plan for the crowdfunding campaign is presented in the Appendix 3.

## 7 Discussion

### 7.1 Ethics and Reliability

Writing a scientific paper brings forth questions of ethics and reliability such as honoring intellectual property rights, presenting results honestly and using reliable sources. Advisable scientific methods and techniques, such as triangulation, are used to help in establishing trustworthiness of the research. In addition to following the advisable scientific methods and techniques described later we will follow source criticism to establish reliability in our thesis. We will also honor the commission agreement and keep our commissioner informed and listen to their wishes.

Scientific research is ethically acceptable and reliable and its results credible only if the research has been conducted according to advisable scientific method. Such methods include honesty, carefulness and precision in research, saving and presenting the results and evaluating those results. Ethically sustainable data collection–, research– and evaluation methods as well as openness in responsible scientific communications are also part of the crucial basis for the ethicality of scientific research. It is also of great importance to give other researchers’ the credit they deserve and remember to cite them appropriately. (Tutkimuseettinen neuvottelukunta 2015.) We will follow these advisable scientific methods in the process of our thesis.

Lincoln and Guba posit that reliability of a research study is important when evaluating its worth. In turn, reliability involves establishing credibility, transferability, dependability and confirmability. Two of these four aspects concern our thesis the most: credibility – the confidence in the “truth” of the findings – and confirmability – degree of neutrality or the extent in which the findings of a study are shaped by the respondents and not researcher bias, motivation, or interest. (Lincoln & Guba 1985, according to Cohen & Crabtree 2006a.)

Lincoln and Guba (1985, according to Cohen & Crabtree 2006a) suggest that using triangulation would help in establishing the credibility and confirmability of a scientific research. In qualitative research a single method is never adequate to shed light on a

phenomenon and triangulation can be used to ensure that the research is rich, robust, comprehensive and well-developed. Densin (1978, according to Cohen & Crabtree 2006b) and Patton (1999, according to Cohen & Crabtree 2006b) identify four types of triangulation: methods triangulation, triangulation of sources, analyst triangulation and theory or perspective triangulation. The first one involves checking out the consistency of findings generated by different data collection methods, while the second one examines the consistency of different data sources from within the same method. Analyst triangulation uses using multiple analysts to review findings or using multiple observers and analysts and theory triangulation means using multiple theoretical perspectives to examine and interpret the data. The most useful technique in the process of writing our thesis is the triangulation of sources.

Other techniques used to establish credibility include prolonged engagement and peer debriefing. (Lincoln & Guba 1985, according to Cohen & Crabtree 2006a.) Prolonged engagement is described as “spending sufficient time in the field to learn or understand the culture, social setting, or phenomenon of interest”. The reason this is important is this enables the researchers to rise above their own preconceptions. (Cohen & Crabtree 2006c.) Peer debriefing, in turn, is a process of “exposing oneself to a disinterested peer in a manner paralleling an analytical sessions and for the purpose of exploring aspects of the inquiry that might otherwise remain only implicit within the inquirer's mind”. It is done in order to uncover taken for biases, perspectives and assumptions taken granted by the researcher. (Lincoln & Guba 1985, according to Cohen & Crabtree 2006d.) We have used both prolonged engagement and peer debriefing in our thesis process to establish its credibility.

## **7.2 Reflection**

We started working with our Thesis on June 2015 – during the summer we contacted our commissioner-to-be, the Joensuu Science Society via Pauliina Korhonen and agreed on the topic. Originally the idea had been to execute of the project during spring 2016. However, during the summer it came clear that too much was still unfinished and the actual realization of the project was postponed by a year. This seemed very reasonable for us, too, since we would not have to hurry.

In January we got feedback on our rehearsal essays and made changes to them accordingly. We also made plans to have the planning seminar for thesis before the beginning of February, when we would both be out doing our practical training. The date for the planning seminar was set on Tuesday 26.1.2016. We acquired an opponent for our planning seminar and informed our commissioner of the set date and invited them to observe. As we set the date, we agreed that the planning essay for the thesis would be sent for the director and the supervisor of the thesis as well as for the opponent and the commissioner on Friday 22<sup>nd</sup>.

After the planning seminar we started the functional part of our thesis – forming the end product of operating plan for the campaign. Our intention had been to finish the thesis before May, but writing the thesis was stalled and the layoff of the teachers in Karelia University of Applied Sciences complicated things even more. The thesis was on a break for the summer and started to progress during the autumn 2016. The new objective for finishing the thesis was set to the end of 2016.

During autumn we sought help from the mentor of the thesis: we had realized that we would never finish if we continue expanding the work endlessly. The meeting helped up to clarify our tasks and gave us confidence. The result seminar, where we will present what we have done, was decided to be held 5.12.2016 so that we could still graduate this year.

If we were back to where we were when we started to work on our thesis, we would probably ask for a more precise limitation of the tasks to be done, and clear focus for our tasks and more a distinct basis for the whole process. Now we had to take the liberty to clarify the limits of the never-ending tasks ourselves, since the commissioner did not seem to have a clear view of it. If we were to undergo the whole process again, we would also be in a closer and more frequent contact with the commissioner. To our remorse, the communication during the thesis process was too infrequent.

Our primary idea had been to participate in doing something concrete, such as setting up a stand for the SciFest. Instead we got a very interesting topic, which had already been ideated for years. As the commissioner told us in our first meeting, the project had been under development for couple of years, but nobody had had time to dedicate themselves

to the project. While making the thesis we started wondering if some parts of the project had been discovered to work, or if some operating models had actually been resolved, since the project had been in ideation phase for years. These observations, if any had been made, could have been of use for us while making our part. After the first meeting we felt good about the responsibilities we were given but we changed our minds as soon as we realized we were supposed to be taking responsibility for pretty much everything, from the planning to the realization of the project.

### **7.3 Development Ideas**

Because the idea of the project Cape to Cape is helping people, it would work better and the idea would be clearer for the potential funders of the project if the trip was confined to cover Africa alone, for instance, from Cape Town to Tunisia, where the refugees have started their desperate journeys to Europe. Helping people there can be justified, but there is no real connection to Europe at the moment. Even the commission of the project only describes helping the native Africans. If Europe was to be a part of the project, it would need to have a clear purpose. The current definition of the project could appear to the funders rather as a crowdfunded vacation in European tourist attractions.

Linking the ongoing refugee crisis to the Cape to Cape project by helping the refugee communities in Europe could be one way to justify the European part of the trip. Maybe even just clarifying the purpose of the latter part of the journey could help. Maybe the researchers could find out real-life development objectives on their way across Africa, and then ask for the European partners to help in finding the solutions.

The whole project is vast and there will be much to do even after we have made our plans. The Joensuu Science Society will need someone to set up and carry out the crowdfunding campaign and update the social media pages as well as the project's home page as part of the marketing related to the crowdfunding. There is still lots to be done beyond the crowdfunding campaign – the practical planning for the trip needs to be done, too. Our thesis will, however, form a good base for our commissioner to proceed with their project and it will hopefully help them with their endeavors.



This thesis has focused mainly on the ready crowdfunding platforms. However, setting up a project's own crowdfunding page is a possibility that should be considered. For instance, *Dream Driven* is the first fully crowdfunded Finnish movie (Koskenlaakso 2015). It is unclear whether the movie was crowdfunded through a web page of their own or via a platform – there is very little information on that. In *Rajapinta* –magazine's article (Koskenlaakso 2015) it is just stated that the project was made a web page of their own, where the project creators could directly see, how much funds they had raised. Based on that it is likely, that the crowdfunding was run on that page. In the same article it is also stated that the campaign was rewards-based. Noora contacted the *Dream Driven* –team in October 2016 via Facebook to confirm how the campaign was conducted and to enquire their experiences of running a crowdfunding campaign on their own rather than on any platform. At the same time she asked if the project team had encountered any drawbacks or challenges during the campaign or whether they would have any advice on the laws or permits needed when creating a rewards-based campaign in Finland. There has been no response, even though the message has been seen. Launching a campaign in Finland would definitely be a subject worthy of further research.

In the thesis the research on marketing in social media has been limited to concern mainly Facebook, as it is the most popular social media page user-wise. However, we suggest the campaigns to use multiple social media platforms as their marketing channels since Holm (2015) suggest Twitter to be most popular social media platform in the crowdfunding spheres. Social media platforms other than Facebook and marketing on them could be further researched.

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## Crowdfunding Success Stories

### Star Citizen

Before starting a crowdfunding campaign it might be helpful to research other projects – both successful and unsuccessful to form an idea of what has worked and what has not. Star Citizen has been a very successful crowdfunding campaign. Its success may be explained with the preparedness of the project – Roberts had made a prototype of the game to show something concrete – and, on the contrary to what Kickstarter statistics show, the long duration of the crowdfunding campaign. Raising funds for years is exceptional and not the right way to go for most projects. However, Star Citizen has been able to keep the crowd intrigued with ever-growing stretch goals (Roberts Space Industries 2015a).

Star Citizen is an upcoming fully crowdfunded space sim video game. Roberts postponed the launch of the crowdfunding campaign for Star Citizen for a year from the initial launch date. He wanted to raise seed capital from friends and spend some of his own money to first build a prototype of the game so he'd have more to show potential backers. The funds were insufficient for both the prototype and a premium website for the game with a crowdfunding engine. With what he had Roberts took a free blog service Wordpress and employed a crowdfunding add-on. Since the plug-in was initially unable to withstand the traffic surge created when the game was announced he also used Kickstarter – a ready platform – as a backup. Between the two crowdfunding options he raised \$6.2 million. (Morris 2014.)

Star Citizen became the most crowdfunded video game project in the history, but the money-raising didn't stop when the Kickstarter campaign ended. Since the end of the Kickstarter campaign, all fundraising has been done on the Star Citizen site. The site has moved its domain from Wordpress and built and integrated its own donation collection software. Two years from the kicking off the campaign the project had collected \$52 million, of which only \$2.1 million came from a traditional crowdfunding site, Kickstarter. (Morris 2014).

By November 2016 it had raised over \$137,000,000 and it is the most well-funded crowdfunding project ever. (Senior 2014.) Roberts, the designer of Star Citizen, explains that the project's success: "most crowdfunding campaigns engage some people, convince them to become backers, and then the campaign stops. We didn't stop." (Baker 2015). In addition to leaving the option to back the project open, they have been very public in all their activity. They release monthly reports from each development studios as well as weekly question and answer sessions with Roberts. In addition to keeping in touch with the community they invite the backers to be involved in the project and give ideas. (Roberts Space Industries 2015b.)

### **Pebble**

Kickstarter's most funded project in November 2015 was Pebble Time smartwatch with \$20,338,986 and 78,471 backers. Three years earlier Pebble successfully raised \$100,000 for its first smartwatch, making the project most funded at that time. (Kickstarter 2015d.) The first time round the Pebble team was small, but they had a good idea that had been rejected by the venture capital community. The backers in Kickstarter helped the Pebble to become reality. As for the second campaign of Pebble Time, they were already a sizeable company and its products were sold in mainstream stores. (Lapowsky 2015.)

Lapowsky (2015) argues that this time Pebble would likely have had no problem raising venture capital the traditional way without Kickstarter. She suggests that this represents a change in the role of Kickstarter: it has become a place where already successful companies go to market their new products. She also claims that this might overshadow the projects that need crowdfunded finance the most – the independent artists, filmmakers, tinkerers, and entrepreneurs.

### **Baubax**

Even though there are some cases of already well-established companies running projects on crowdfunding platforms such as Kickstarter, there is still room for individual

creators. The World's Best Travel Jacket was designed by Yoganshi Shah and Hiral Sanghavi to humbly "solve all of the problems travelers encounter". The special features for the jacket originated because Sanghavi travels weekly from Chicago to San Francisco and often left his travel pillow on flights. The built-in travel pillow was the first feature developed. Then they added an eye mask, a cup-holder, built-in gloves and various designated pockets to carry passports, technology, wallets and earphones. Everything a traveler wants and needs – "the Swiss army knife of travel jackets", as Sanghavi calls it. (Gajanan 2015)

The world's best travel jacket started its 8-week Kickstarter campaign with a funding goal of \$20,000. The project met its goal in just over 5 hours from the launch with 700 backers (Kickstarter 2015f.) At the end of the Kickstarter campaign 44,949 people had pledged a total of \$9,192,055, making the project 45,900 % funded (Gajanan 2015, Kickstarter 2014f.) It became the 4<sup>th</sup> most funded project of all time in Kickstarter and the 1<sup>st</sup> most funded clothing project. (Kickstarter 2015f.) After the Kickstarter campaign the project was launched in Indiegogo InDemand, where it is was possible to pre-purchase the product at a price lower than the future retail price (Indiegogo 2015.)

### **Out of Eden Walk**

All campaigns on Kickstarter must be projects, which means that the campaign must have a goal (e.g. an album, a book, or a work of art), which will eventually be completed and something will be produced by it. (Kickstarter 2015a.) A great deal of the campaigns on Kickstarter are projects that produce actual physical products. There are, however, some categories like journalism, whose goal is not to make products to be distributed for the backers, perhaps similarly to the Cape to Cape project.

Out of Eden Walk (year three) is a good example of a successful journalism campaign. Out of Eden Walk is a seven-year, 21,000-mile foot journey made by the two-time Pulitzer Prize-winning foreign correspondent Paul Salopek. He "is retracing the pathways of humanity's first migration out of Africa and around the globe—on foot, as our ancestors traveled". The crowdfunding campaign for year three raised \$51,880 of \$45,000 goal. (Kickstarter 2015e).

## Suggestions for Rewards

### The anatomy:

1. “Catchy name”
2. Range of donation sum advised      Note: the price in brackets is from Paul Salopek’s similar rewards for comparison (Kickstarter 2015e)
3. Description of the reward      Note: the remarks in italics are notes for the project creators
4. Limited: how many rewards of a kind are offered?
5. Estimated delivery: when will the backer get their reward?

### ”Step by Step”

Pledge 5-10 \$ or more      (10 \$)

Help us get one step closer to our goal! As a reward you’ll get your name on the donor wall on the Cape to Cape –website.

### “Mapmaker”

Pledge 25 \$ or more      (25 \$)

Get your own section (*e.g. 10 km distance, the first donor gets the first 10 km starting from Cape Town and so on; the donor will receive an email-notification disclosing the coordinates of one’s section on the map*) of the Cape to Cape donor map and your name on the donor wall on the Cape to Cape –website.

Limited: (*the length of the route from Cape Town to Nordkapp divided by 10*)

### “On the Road”

Pledge 35-45 \$ or more      (45 \$)

We’ll email you a private link to five (*or other suitable number of*) high-resolution, previously unpublished photos from the Cape to Cape trail with a message from a crew-member. GPS coordinates of where the photos have been taken and instructions for best quality printing included.



**“Greetings from the Crew”**

Pledge 100-120 \$ or more (180 \$)

Receive a postcard (*Cape to Cape-logo on them? Local post cards?*) the old-fashioned way: by snail mail! The post cards will be hand-written by one of the crew member and sent along the route (*wherever the crew is reasonably able to locate post offices or making sending the postcards a responsibility of the partners wherever the workshops will be held?*).

Limited:

**“Milestone”**

Pledge 250 \$ or more (250 \$)

Get your own milestone – our crew will stop at these amazing locations (*points of interest, how many & where*) and take a panorama photo, high-resolution pictures and *collect audio/interview/what else? (e.g. who are you, what makes you happy, what’s your advice for living a good life)* – you will receive the panorama picture via email and get your name on the milestone on the map.

Limited:

**“Friend of Art”**

Pledge 300-600 \$ or more (1200 \$)

Receive a *measure x measure* Tingatinga-painting, hand made by a Tanzanian artist (*and hand-picked by [crew member/local partner?] You may wish for either the color- or the subject of the painting?*).

Limited:

**“Chat with the Crew”**

Pledge 500 \$ or more (550 \$)

Chat with one of our crew members for 30 min during the Cape to Cape –tour. Only audio can be guaranteed due to possibly poor network connections.

Limited:

**“A Day in their Shoes”**

Pledge 700-1000 \$ or more

Receive an edited video of a day as one of the crew members (*recorded with an action camera*)!

Limited:

**“Corporate Companion”**

Pledge 200-500 \$ or more

Receive an invitation to project’s kick-off –event to Cape Town *and/or* (?) wrap-up in North Cape. The company’s name will also be recorded to the wall of donors. Great reward for companies! (*Travelling, accommodation or meals not included.*)

Limited:

*(One price for kick-off event (200-500 \$), second price for wrap-up event (200-500 \$) and a combined (reduced) price for both (300-800 \$)!)*

**“Get Aboard”**

Pledge 1000 \$ or more

Get yourself a seat from the Cape to Cape caravan from --- to --- and join the workshop held in ---. (*The price does not include flight tickets to --- or from ---. Accommodation, transportation and meals shared with the crew included.*)

Limited:

## Operating Plan for Cape to Cape Crowdfunding Campaign

Subject	Procedures	Execution	Timetable	Person in charge
<b>Design</b>	Design the logo appearances for the project.	Before starting to aggressively market the project to the general public.		
<b>Social media pages</b>	Setting up accounts and pages in Facebook, Twitter, Instagram, starting a possible blog (e.g. Wordpress): the blog can also be used throughout the realization of the project	Before starting to aggressively market the project to the general public.		
<b>Homepage of the project</b>	Setting up a homepage for the project. Special attention to the design and the usability of the page. Gather interesting content (e.g. music, pictures from along the route.) Remember keyword optimization!	Before starting to aggressively market the project to the general public.		
<b>Rewards</b>	Set the rewards for the rewards-based crowdfunding campaign, if applicable. Create a donor wall and a donor map.	Before creating the campaign.		
<b>Gather the crowd</b>	Spread the word of the campaign to friends and family and encourage them to spread the word even further.	Before creating the campaign, but after the homepage and social media pages have been created.		

<b>Project video</b>	Create an introductory video of the project. The video can be used on the homepage, the social media pages and the crowdfunding campaign page.	Before launching the campaign.		
<b>Preparing the crowdfunding campaign</b>	Choosing the crowdfunding platform or making an own crowdfunding page for the project. Budget & possible rewards. Project video & introduction.	Before launching the campaign.		
<b>Previewing the crowdfunding campaign</b>	Some platforms, like Kickstarter, offer the possibility to send a link of the campaign to friends and family before launching the campaign. Gather feedback and change things if needed!	Before launching the campaign.		
<b>Encouraging F&amp;F</b>	Encouraging friends & family to contribute as soon as the crowdfunding campaign goes live.	Just before launching the campaign.		
<b>Launching the crowdfunding campaign</b>	Starting aggressive social media marketing	When the crowdfunding campaign has been carefully designed and the like-minded crowd has been gathered.		
<b>Running the crowdfunding campaign</b>	Keeping social media pages up to date. (Updating the donor wall & map)	During the campaign		

<b>Aftermath of the crowd-funding</b>	(Updating the donor wall & map). Shipping the rewards. Realizing the project itself.	After the campaign		
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- Design: run a competition for UEF or Karelia UAS students or give the assignment for e.g. design students as a project or a commission for thesis or hire a professional
- Homepage: have computer science or programming students help as part of their project studies or thesis
- Video: have media students of Karelia UAS make it or hire professionals
- Social media: at least one person should be assigned to update the social media throughout the duration of the crowdfunding campaign. Active and interesting social media pages encourage the crowd to contribute.
- Donor wall & map: to make the map get help from a student/partner university member or ask for some cartographer to help in exchange of e.g. visibility or hire them. Updating the donor wall and map can be done either while the project is live or after the end of the crowdfunding campaign. If done during the campaign, people see that the project is actually being actively funded, but on the other side it's in vain if the project doesn't meet its funding goal or if some funders withdraw their pledges.